

Bridgeport Charter Township
Annual Financial Statements
and
Auditors' Report
December 31, 2007

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Bridgeport Charter Township
List of Elected and Appointed Officials
December 31, 2007

Township Board

Patrick Gilles - Supervisor

Marie Wuerfel - Treasurer

Lee G. Carpenter - Clerk

Richard A. Fisher - Trustee

Walter LaShore - Trustee

Frank Morrison - Trustee

Augie Tausend - Trustee

Other Officers and Officials

Richard F. Dunnill - Township Manager

Jamie Sowers - Chief Accountant

Rose Licht - Assistant Township Manager

Independent Auditors' Report

To the Township Board
Bridgeport Charter Township
Bridgeport, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bridgeport Charter Township as of and for the year ended December 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bridgeport Charter Township as of December 31, 2007 and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information identified in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Bridgeport Charter Township's basic financial statements. The accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Yeo & Yeo, P.C.

Saginaw, Michigan
June 17, 2008

Bridgeport Charter Township Management's Discussion and Analysis December 31, 2007

As management of Bridgeport Charter Township, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended December 31, 2007. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements.

Financial Highlights

- The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$ 20,158,464. Of this amount, \$ 6,664,291 is unrestricted and may be used to meet the Township's ongoing obligations to citizens and creditors.
- The Township's total net assets decreased by \$ 224,648.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$ 2,288,573 a decrease of \$ 181,081 in comparison with the prior year. Approximately 86% of this total amount, or \$ 1,984,871, is *available for spending* at the Township's discretion (*unreserved fund balance*). This amount is inclusive of both the *unreserved-designated* amount, which has been designated based upon either Township policy or for a specific purpose, and the *unreserved-undesignated* amount.
- At the end of the current fiscal year, the general fund's unreserved-undesignated fund balance was \$ 893,715 or 34% of total general fund expenditures. Total fund balance for the general fund was \$ 1,445,782.
- The Township's total debt decreased by \$ 66,513 or 10% during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2007

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected special assessments and accrued interest expense).

The governmental-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Township include general government, public safety, public works, community and economic development and recreation and culture. The business-type activities of the Township consist of a Water Fund, Sewer Fund, and Internal Service Fund. The water and sewer funds are both major funds.

The government-wide financial statements can be found on pages 4-1 to 4-3 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Activities

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements or schedules have been provided herein to demonstrate compliance with those budgets.

The Township Board creates funds to help manage money for specific purposes as well as show accountability for certain activities. The Township's major governmental funds include the General Fund and Refuse Collection Fund.

Bridgeport Charter Township Management's Discussion and Analysis December 31, 2007

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Refuse Collection Fund accounts for the revenue and expenditures with the government's refuse collection operation.

The basic governmental fund financial statements can be found on pages 4-4 to 4-9 of this report.

Proprietary funds. The Township maintains two different types of proprietary funds; enterprise funds and internal service funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The Township uses enterprise funds to account for its water and sewer operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Township's various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and Sewer Fund, each of which are considered to be major funds.

The basic proprietary fund financial statements can be found on pages 4-10 to 4-15 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 4-16 to 4-17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements. The notes to the financial statements can be found on pages 4-18 to 4-29 of this report.

Government Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Bridgeport Charter Township, as the following table demonstrates, assets exceeded liabilities by \$ 20,158,464 at the close of the most recent fiscal year.

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2007

	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Assets						
Current assets	\$ 2,953,315	\$ 3,020,590	\$ 4,239,154	\$ 4,040,681	\$ 7,192,469	\$ 7,061,271
Capital assets	<u>2,300,269</u>	<u>2,429,511</u>	<u>11,544,052</u>	<u>11,737,059</u>	<u>13,844,321</u>	<u>14,166,570</u>
Total assets	<u>5,253,584</u>	<u>5,450,101</u>	<u>15,783,206</u>	<u>15,777,740</u>	<u>21,036,790</u>	<u>21,227,841</u>
Liabilities						
Current liabilities	233,962	167,202	109,489	76,141	343,451	243,343
Long term liabilities	<u>534,875</u>	<u>601,388</u>	<u>-</u>	<u>-</u>	<u>534,875</u>	<u>601,388</u>
Total liabilities	<u>768,837</u>	<u>768,590</u>	<u>109,489</u>	<u>76,141</u>	<u>878,326</u>	<u>844,731</u>
Net assets						
Invested in capital assets- net of related debt	1,765,394	1,828,123	11,544,052	11,737,059	13,309,446	13,565,182
Restricted	184,727	194,628	-	-	184,727	194,628
Unrestricted	<u>2,534,626</u>	<u>2,658,760</u>	<u>4,129,665</u>	<u>3,964,540</u>	<u>6,664,291</u>	<u>6,623,300</u>
Total net assets	<u>\$ 4,484,747</u>	<u>\$ 4,681,511</u>	<u>\$ 15,673,717</u>	<u>\$ 15,701,599</u>	<u>\$ 20,158,464</u>	<u>\$ 20,383,110</u>

One of the largest portions of the Township's net assets, \$13,309,446 (66%), reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional \$ 184,727 (1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets*, \$ 6,664,291 (33%) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Township is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The Township's net assets decreased by \$ 224,648 during the current fiscal year.

Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2007

	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Revenue						
Program revenue						
Charges for services	\$ 764,640	\$ 737,096	\$ 2,237,442	\$ 2,086,189	\$ 3,002,082	\$ 2,823,285
Operating grants and contributions	163,464	86,116	-	-	163,464	86,116
Capital grants and contributions	-	31,400	15,572	22,089	15,572	53,489
General revenue:						
Property taxes	1,062,955	1,021,191	-	-	1,062,955	1,021,191
State-shared revenue	987,645	988,690	-	-	987,645	988,690
Unrestricted investment earnings	135,682	100,972	147,584	177,758	283,266	278,730
Gain on sale of capital assets	3,895	3,131	-	-	3,895	3,131
Miscellaneous revenue	118,513	161,455	7,831	16,112	126,344	177,567
Total revenue	3,236,794	3,130,051	2,408,429	2,302,148	5,645,223	5,432,199
Program expenses						
General government	676,148	794,307	-	-	676,148	794,307
Public safety	1,631,191	1,635,122	-	-	1,631,191	1,635,122
Public works	941,097	926,247	-	-	941,097	926,247
Community and economic development	20,468	16,734	-	-	20,468	16,734
Recreation and culture	136,425	152,151	-	-	136,425	152,151
Interest on long-term debt	28,231	30,559	-	-	28,231	30,559
Water and sewer	-	-	2,436,311	2,370,882	2,436,311	2,370,882
Total program expenses	3,433,560	3,555,120	2,436,311	2,370,882	5,869,871	5,926,002
Change in net assets	<u>\$(196,766)</u>	<u>\$(425,069)</u>	<u>\$ (27,882)</u>	<u>\$ (68,734)</u>	<u>\$(224,648)</u>	<u>\$(493,803)</u>

Governmental activities. Governmental activities decreased the Township's net assets by \$ 196,766. Key elements of this decrease are as follows:

In 2007, Bridgeport Township paid for the Chip and Sealing of fourteen miles of Township Roads at a cost of \$133,000. Additionally the Township spent \$32,000 for drainage work on Baker and Portsmouth Roads and \$5,500 for traffic signal upgrades.

The Township Clerk purchased a new computer and printer for election work at a cost of \$1,850.

The Township accounting office saw an increase in personnel services due to the permanent hiring of a new Chief Accountant.

Bridgeport Charter Township
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Bridgeport Township installed new sidewalk along a one mile stretch of Dixie Highway to improve pedestrian safety at a cost of \$42,100. Additionally the Township invested \$5,000 in streetscape design and engineering costs for the State Street to Fort Road area.

Business-type activities (enterprise funds).

Bridgeport Charter Township's business-type activities consist of Water Fund, Sewer Fund, and Internal Service Fund. The water and sewer are both major funds.

Bridgeport Water System increased water rates in June, 2007 to \$3.42 per thousand from \$3.28 per thousand in response to a rate increase received from the City of Saginaw.

Bridgeport Sewer System also increased their sewer rates in January, 2007 to \$4.48 per thousand from \$4.43 per thousand or at the rate of inflation.

Bridgeport Township Water System complied with the Stage II Disinfection By-Product Rule mandated by the Environmental Protection Agency (EPA). This rule sets protocol for period testing of drinking water measuring total trihalomethanes and haloacetic acids.

Bridgeport Township Water System is in on-going negotiations with the City of Saginaw for wholesale water services.

Bridgeport Sewer System saw a decrease in net assets of \$ 283,969 for fiscal year 2007 due mainly to depreciation expense.

Bridgeport Charter Township Funds.

The fund financial statements provide detailed information about the most significant funds of Bridgeport Charter Township. The Township Board creates funds to help manage money for specific purposes as well as show accountability for certain activities. The Township's major governmental funds include the General Fund, and Refuse Collection Fund.

General Fund

Functions relating to the general governmental activities of the Township, which are financed by property tax levies, by distribution of State revenues, and from fees charged to various municipal activities and services are recorded in the General Fund. The Township's Board approved budget for the 2007 fiscal year included the use of \$ 58,206 of the fund balance in the General Fund, of which the Township actually used \$ 179,072 and left \$ 1,445,782 in fund balance at year end.

Bridgeport Charter Township
Management's Discussion and Analysis
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Refuse Collection Fund

The Refuse Collection Fund accounts for the revenue and expenditures with the governments refuse collection operation. The Township's Board approved a balanced budget for 2007 fiscal year. The Township actually increased fund balance by \$35,747 and left \$ 514,889 in fund balance at year end.

Aggressive recycling educational efforts and a recycling bin give away program have increased participation by 17% while reducing the cost of recycling by \$15.00 per ton.

General Fund Budgetary Highlights.

Prior to the beginning of any year, the Township's budget is compiled based upon certain assumptions and facts available at the time. During the year, the Township acts to amend its budget to reflect changes in these original assumptions, facts, and/or economic conditions that were unknown at the time the original budget was compiled. In addition, by policy, the Board reviews and authorizes large expenditures when requested throughout the year.

Variances in the 2007 budget reflect:

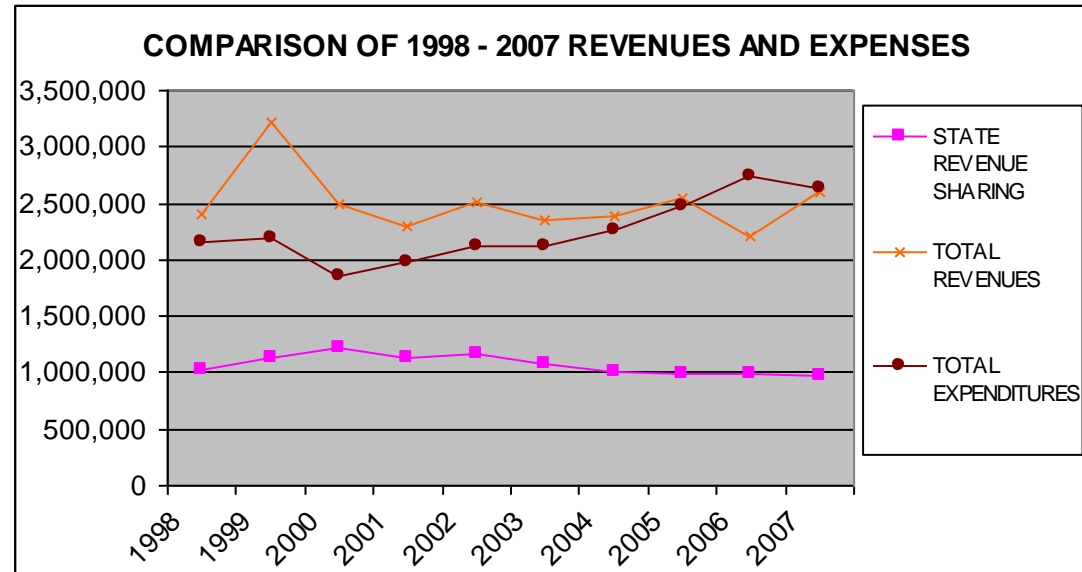
- Increased income received from investments.
- Decrease in revenues due to Metro Act and Right of Way cuts.
- Increased expenditures in training for Committee members attending additional sessions that were not anticipated.
- Township received additional revenue from permit fees.

Following are additional events that have impacted the 2007 budget:

- Ongoing labor negotiations with Township's two labor groups.
- Hired/replaced Account Clerk IV in Accounting Department with a full time Chief Accountant.
- Hiring of full time Zoning Administrator and creation of full time Building Inspector and hiring of part time code enforcement officer to replace outsourced position of contract provider.
- Hiring of two full time Police Officers (up from 5 to 7).
- No raises for salaried employees during 2007 due to revenue sharing concerns and cuts.
- Chart 1 is a comparison of revenues and expenditures for the years 1998 through 2007. Also, charted is the state revenue sharing received for these years.

**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2007**

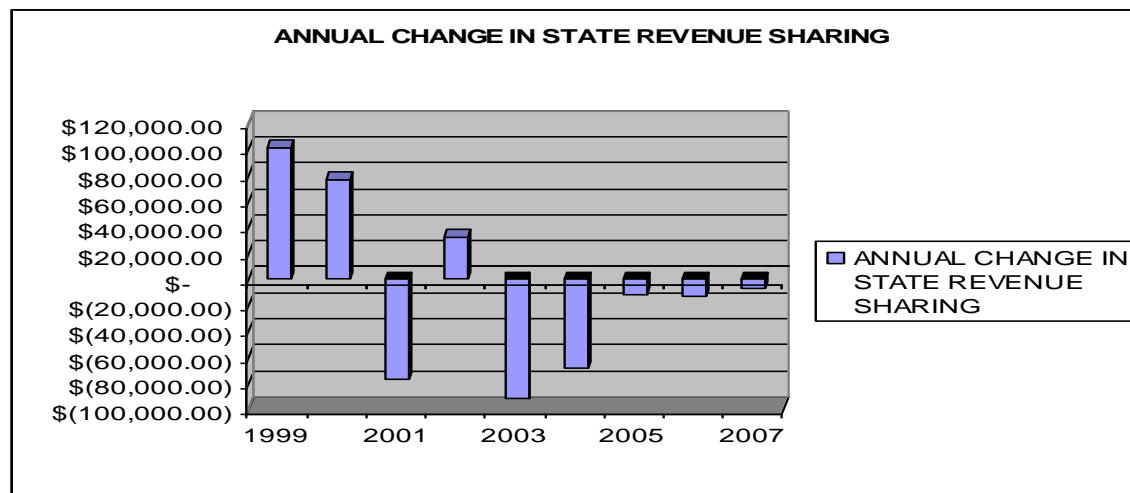
Chart 1



- Chart 2 characterizes the annual change in state revenue sharing for the last nine years.

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Chart 2



**Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2007**

- Charts 3 and 4 show budgeted 2007 revenues and expenditures by source.

Chart 3

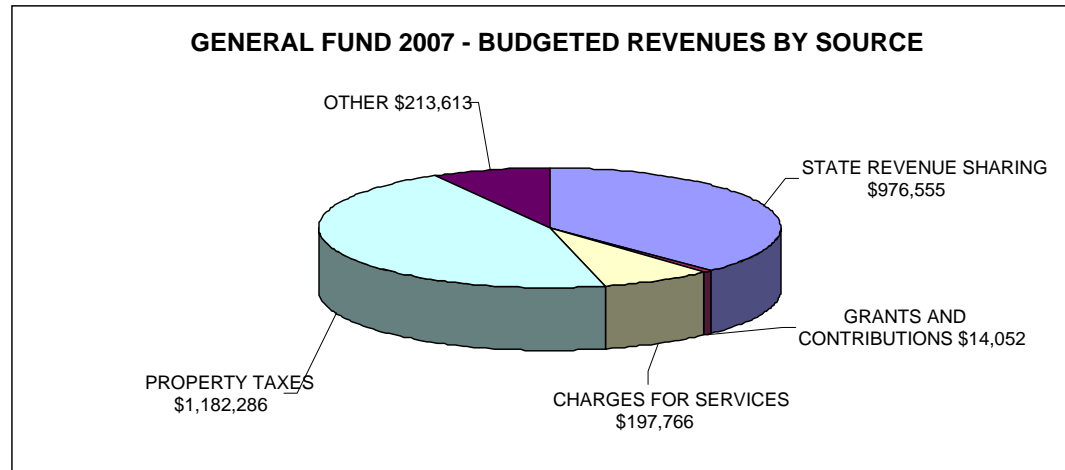
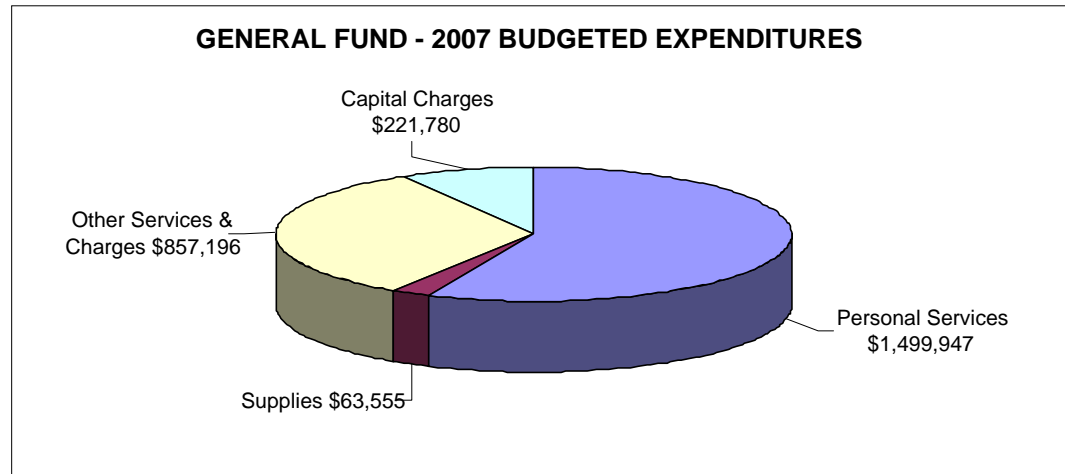


Chart 4



Bridgeport Charter Township
Management's Discussion and Analysis
December 31, 2007

Capital Asset and Debt Administration

Major capital asset events during the current fiscal year included the following:

Township's equipment pool purchased a new suburban and a new pickup for the Fire Department, one new police car and one new van for the Water Department.

Bridgeport Township Water Department replaced water mains on Dixie Court from Dixie Highway to Williamson and Morganport St. to the streets dead end at a cost \$300,000.

The Township's total debt decreased by \$66,513 or 10% during the current fiscal year.

At the end of 2007, the Township has \$ 13,844,321 invested in a wide range of capital assets, including land, buildings, equipment, computer equipment, and water and sewer lines.

Economic Factors and Next Year's Budget and Rates

The following factors were considered in preparing the Township's budget for the 2008 fiscal year:

- Rising cost to furnish employee healthcare benefits.
- Replacement of one (1) police vehicle.
- Promotion of Rose Licht to Assistant Manager from the prior position of Office Manager.
- Increase in legal costs due to negotiations between the Township and two labor unions.
- Continued state revenue sharing cuts.
- Hiring of an eighth police officer.
- An additional \$10,000 added to Building and Codes budget for home demolitions.
- Parks and Recreation budget increased for land purchase and baseball field upgrades at a cost of \$42,000.
- Maintenance and repairs in the Fire Station totaling \$9,400 (replacement of two access doors and the associated access controls, interior painting and carpeting).

Bridgeport Charter Township
Management's Discussion and Analysis
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The following activities occurred in 2007 impacting business in Bridgeport Charter Township:

- Dixie Cut Stone plant two closed eliminating 65 jobs.
- Central Insulated Glass opened creating 12 new jobs.
- D.D.A. purchase of empty Gable Gardens Night Club and two derelict residential parcels on Dixie Highway.
- Continued expansion of beautification efforts along Dixie Highway.
- Continued staffing reductions by Michigan State Police.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in Bridgeport Charter Township's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bridgeport Charter Township, 6206 Dixie Highway, Bridgeport, Michigan 48722.

Bridgeport Charter Township
Statement of Net Assets
December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 926,834	\$ 612,855	\$ 1,539,689	\$ 36,782
Investments	190,604	3,053,094	3,243,698	680,914
Receivables				
Taxes	1,314,372	167,363	1,481,735	277,305
Customers	25,912	300,825	326,737	-
Special assessments	-	3,540	3,540	-
Accrued interest and other	4,968	16,581	21,549	3,911
Due from other units of government	341,874	-	341,874	-
Internal balances	24,761	(24,761)	-	-
Inventories	4,517	87,906	92,423	-
Prepaid items	119,473	21,751	141,224	2,420
Capital assets not being depreciated	489,916	401,363	891,279	492,796
Capital assets being depreciated	<u>1,810,353</u>	<u>11,142,689</u>	<u>12,953,042</u>	<u>3,400</u>
 Total assets	 <u>5,253,584</u>	 <u>15,783,206</u>	 <u>21,036,790</u>	 <u>1,497,528</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Statement of Net Assets
December 31, 2007

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Checks written against future deposits	\$ 10,107	\$ -	\$ 10,107	\$ -
Accounts payable	148,755	71,823	220,578	30,374
Accrued and other liabilities	12,426	7,866	20,292	8,794
Due to other units of government	15,674	-	15,674	-
Noncurrent liabilities				
Due within one year	69,839	-	69,839	50,000
Due in more than one year	512,036	29,800	541,836	1,081,900
 Total liabilities	 768,837	 109,489	 878,326	 1,171,068
Net assets				
Invested in capital assets, net of related debt	1,765,394	11,544,052	13,309,446	496,196
Restricted for:				
Debt service	184,727	-	184,727	-
Unrestricted (deficit)	2,534,626	4,129,665	6,664,291	(169,736)
 Total net assets	 <u>\$ 4,484,747</u>	 <u>\$ 15,673,717</u>	 <u>\$ 20,158,464</u>	 <u>\$ 326,460</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Statement of Activities
For the Year Ended December 31, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 676,148	\$ 138,853	\$ -	\$ -	\$ (537,295)	\$ -	\$ (537,295)	\$ -
Public safety	1,631,191	72,138	29,886	-	(1,529,167)	-	(1,529,167)	-
Public works	941,097	548,124	12,552	-	(380,421)	-	(380,421)	-
Health and welfare	-	-	10,933	-	10,933	-	10,933	-
Community and economic development	20,468	5,525	110,093	-	95,150	-	95,150	-
Recreation and culture	136,425	-	-	-	(136,425)	-	(136,425)	-
Interest on long-term debt	28,231	-	-	-	(28,231)	-	(28,231)	-
Total governmental activities	3,433,560	764,640	163,464	-	(2,505,456)	-	(2,505,456)	-
Business-type activities								
Sewer	1,255,480	841,845	-	3,243	-	(410,392)	(410,392)	-
Water	1,180,831	1,395,597	-	12,329	-	227,095	227,095	-
Total business-type activities	2,436,311	2,237,442	-	15,572	-	(183,297)	(183,297)	-
Total primary government	\$ 5,869,871	\$ 3,002,082	\$ 163,464	\$ 15,572	(2,505,456)	(183,297)	(2,688,753)	-
Component unit								
Downtown Development Authority	\$ 524,384	\$ -	\$ 18,675	\$ -				(505,709)
General revenues								
Property taxes					1,062,955	-	1,062,955	384,053
State shared revenue					987,645	-	987,645	-
Unrestricted investment earnings					135,682	147,584	283,266	63,742
Gain on sale of capital assets					3,895	-	3,895	30,000
Miscellaneous					118,513	7,831	126,344	22,394
Total general revenues					2,308,690	155,415	2,464,105	500,189
Change in net assets					(196,766)	(27,882)	(224,648)	(5,520)
Net assets - beginning of year					4,681,513	15,701,599	20,383,112	331,980
Net assets - end of year					\$ 4,484,747	\$ 15,673,717	\$ 20,158,464	\$ 326,460

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Balance Sheet
December 31, 2007

		Special Revenue Fund		
	General	Refuse Collection	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 262,457	\$ 218,953	\$ 311,640	\$ 793,050
Investments	110,285	2,498	-	112,783
Receivables				
Taxes	888,479	391,153	34,740	1,314,372
Customers	25,696	-	-	25,696
Accrued interest and other	4,687	-	-	4,687
Due from other units of government	341,874	-	-	341,874
Prepaid items	65,813	46,539	6,623	118,975
Total assets	<u>\$ 1,699,291</u>	<u>\$ 659,143</u>	<u>\$ 353,003</u>	<u>\$ 2,711,437</u>
Liabilities				
Checks written against future deposits	\$ -	\$ -	\$ 10,107	\$ 10,107
Accounts payable	66,461	77,315	4,156	147,932
Accrued and other liabilities	8,161	-	1,974	10,135
Due to other funds	13,003	-	-	13,003
Due to other units of government	15,674	-	-	15,674
Deferred revenue	150,210	66,929	8,874	226,013
Total liabilities	<u>253,509</u>	<u>144,244</u>	<u>25,111</u>	<u>422,864</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Balance Sheet
December 31, 2007

	General	Special Revenue Fund Refuse Collection	Nonmajor Governmental Funds	Total Governmental Funds
Fund balances				
Reserved for:				
Debt service	\$ -	\$ -	\$ 184,727	\$ 184,727
Prepaid items	65,813	46,539	6,623	118,975
Unreserved				
Designated for:				
Police department	31,509	-	-	31,509
Bridge reconstruction	37,500	-	-	37,500
Fire safety house	1,026	-	-	1,026
Drains	41,873	-	-	41,873
Roads	284,982	-	-	284,982
Government center	42,366	-	-	42,366
Township property	46,193	-	-	46,193
Training	805	-	-	805
Unreserved, reported in:				
General fund	893,715	-	-	893,715
Special revenue funds	-	468,360	(12,862)	455,498
Capital project funds	-	-	149,404	149,404
 Total fund balances	 <u>1,445,782</u>	 <u>514,899</u>	 <u>327,892</u>	 <u>2,288,573</u>
 Total liabilities and fund balances	 <u><u>\$ 1,699,291</u></u>	 <u><u>\$ 659,143</u></u>	 <u><u>\$ 353,003</u></u>	 <u><u>\$ 2,711,437</u></u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Assets of Governmental Activities
December 31, 2007

Total fund balances for governmental funds	\$ 2,288,573
Total net assets for governmental activities in the statement of net assets is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	2,055,093
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	226,013
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(1,900)
Compensated absences	(47,000)
Long-term liabilities applicable to governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities.	(534,875)
Internal service funds are included as part of governmental activities.	<u>498,843</u>
Net assets of governmental activities	<u>\$ 4,484,747</u>

Bridgeport Charter Township
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2007

		Special Revenue Fund		
	General	Refuse Collection	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 1,027,909	\$ -	\$ -	\$ 1,027,909
Licenses and permits	198	-	67,603	67,801
State revenue sharing	987,645	-	-	987,645
Other state grants	14,052	-	-	14,052
Local contributions	6,000	-	100,093	106,093
Charges for services	211,521	478,347	12,300	702,168
Fines and forfeitures	22,188	-	7,318	29,506
Interest income	75,300	24,271	16,385	115,956
Rental income	55,621	-	-	55,621
Other revenue	7,575	116	65,072	72,763
	<u>2,408,009</u>	<u>502,734</u>	<u>268,771</u>	<u>3,179,514</u>
Total revenues				

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2007

		Special Revenue Fund		
	General	Refuse Collection	Nonmajor Governmental Funds	Total Governmental Funds
Expenditures				
Current				
General government	\$ 561,600	\$ -	\$ 78,828	\$ 640,428
Public safety	1,212,181	-	211,184	1,423,365
Public works	436,812	466,987	-	903,799
Community and economic development	16,170	-	-	16,170
Recreation and culture	106,321	-	-	106,321
Other functions	54,112	-	-	54,112
Capital outlay	-	-	119,462	119,462
Debt service				
Principal retirement	26,542	-	42,182	68,724
Interest and fiscal charges	3,950	-	24,265	28,215
Total expenditures	<u>2,417,688</u>	<u>466,987</u>	<u>475,921</u>	<u>3,360,596</u>
Deficiency of revenues under expenditures	<u>(9,679)</u>	<u>35,747</u>	<u>(207,150)</u>	<u>(181,082)</u>
Other financing sources (uses)				
Transfers in	-	-	169,393	169,393
Transfers out	<u>(169,393)</u>	<u>-</u>	<u>-</u>	<u>(169,393)</u>
Total other financing sources and uses	<u>(169,393)</u>	<u>-</u>	<u>169,393</u>	<u>-</u>
Net change in fund balance	<u>(179,072)</u>	<u>35,747</u>	<u>(37,757)</u>	<u>(181,082)</u>
Fund balance - beginning of year	<u>1,624,854</u>	<u>479,152</u>	<u>365,649</u>	<u>2,469,655</u>
Fund balance - end of year	<u><u>\$ 1,445,782</u></u>	<u><u>\$ 514,899</u></u>	<u><u>\$ 327,892</u></u>	<u><u>\$ 2,288,573</u></u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2007

Net change in fund balances - Total governmental funds \$ (181,082)

Total change in net assets reported for governmental activities in the statement of activities
is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(219,451)
Capital outlay	212,227
Sale of capital assets	(57,308)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue
in the funds.

Property taxes	35,046
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Expenses are recorded when incurred in the statement of activities

Accrued interest	200
Compensated absences	7,700

Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in
fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not
affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds
but reduces the liability in the statement of net assets.

Repayments of long-term debt	66,513
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Internal service funds are also included as governmental activities	<u>(60,611)</u>
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Change in net assets of governmental activities	<u><u>\$ (196,766)</u></u>
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See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Net Assets
December 31, 2007

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Assets				
Current assets				
Cash and cash equivalents	\$ 104,599	\$ 508,256	\$ 612,855	\$ 133,784
Investments	2,570,199	482,895	3,053,094	77,821
Receivables				
Taxes	167,363	-	167,363	-
Customers	1,576	299,249	300,825	216
Special assessments, current	488	-	488	-
Accrued interest and other	13,549	3,032	16,581	281
Due from other funds	948	13,649	14,597	-
Inventories	-	87,906	87,906	4,517
Prepaid items	16,102	5,649	21,751	498
Total current assets	<u>2,874,824</u>	<u>1,400,636</u>	<u>4,275,460</u>	<u>217,117</u>
Noncurrent assets				
Special assessments receivable, deferred	3,052	-	3,052	-
Capital assets not being depreciated	28,000	373,363	401,363	-
Capital assets being depreciated	<u>5,065,371</u>	<u>6,077,318</u>	<u>11,142,689</u>	<u>245,176</u>
Total noncurrent assets	<u>5,096,423</u>	<u>6,450,681</u>	<u>11,547,104</u>	<u>245,176</u>
Total assets	<u>7,971,247</u>	<u>7,851,317</u>	<u>15,822,564</u>	<u>462,293</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Net Assets
December 31, 2007

	Enterprise Funds			Internal
	Sewer	Water	Total	Service Funds
Liabilities				
Current liabilities				
Accounts payable	\$ 21,906	\$ 49,917	\$ 71,823	\$ 823
Accrued and other liabilities	7,739	127	7,866	391
Due to other funds	<u>1,594</u>	<u>-</u>	<u>1,594</u>	<u>-</u>
Total current liabilities	<u>31,239</u>	<u>50,044</u>	<u>81,283</u>	<u>1,214</u>
Noncurrent liabilities				
Long-term debt net of current portion	<u>16,000</u>	<u>13,800</u>	<u>29,800</u>	<u>-</u>
Total liabilities	<u>47,239</u>	<u>63,844</u>	<u>111,083</u>	<u>1,214</u>
Net assets				
Invested in capital assets, net of related debt	5,093,371	6,450,681	11,544,052	245,176
Unrestricted	<u>2,830,637</u>	<u>1,336,792</u>	<u>4,167,429</u>	<u>215,903</u>
Total net assets	<u>\$ 7,924,008</u>	<u>\$ 7,787,473</u>	15,711,481	<u>\$ 461,079</u>
Some amounts reported for business-type activities in the statement of net assets are different because certain internal service funds assets and liabilities are reported with business-type activities			<u>(37,764)</u>	
Net assets of business-type activities			<u>\$ 15,673,717</u>	

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2007

	Enterprise Funds			Internal
	Sewer	Water	Total	Service Funds
Operating revenue				
Customer fees	\$ 841,845	\$ 1,395,597	\$ 2,237,442	\$ 10,536
Billings to other funds	-	-	-	172,907
Other revenue	<u>226</u>	<u>7,605</u>	<u>7,831</u>	<u>211</u>
Total operating revenue	<u>842,071</u>	<u>1,403,202</u>	<u>2,245,273</u>	<u>183,654</u>
Operating expenses				
Personnel services	546,300	271,960	818,260	37,207
Supplies	35,930	465,534	501,464	4,495
Contractual services	18,233	19,681	37,914	1,967
Utilities	107,720	2,167	109,887	-
Repairs and maintenance	8,692	44,581	53,273	14,994
Other expenses	132,113	67,135	199,248	170,589
Depreciation	<u>388,864</u>	<u>299,856</u>	<u>688,720</u>	<u>64,576</u>
Total operating expenses	<u>1,237,852</u>	<u>1,170,914</u>	<u>2,408,766</u>	<u>293,828</u>
Operating income (loss)	<u>(395,781)</u>	<u>232,288</u>	<u>(163,493)</u>	<u>(110,174)</u>
Nonoperating revenue (expenses)				
Interest income	108,569	39,015	147,584	18,339
Gain on sale of assets	-	-	-	3,895
Interest expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>(216)</u>
Total nonoperating revenues (expenses)	<u>108,569</u>	<u>39,015</u>	<u>147,584</u>	<u>22,018</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended December 31, 2007

	<u>Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Income (loss) before contributions	\$ (287,212)	\$ 271,303	\$ (15,909)	\$ (88,156)
Capital contributions	<u>3,243</u>	<u>12,329</u>	<u>15,572</u>	<u>-</u>
Change in net assets	(283,969)	283,632	(337)	(88,156)
Net assets - beginning of year	<u>8,207,977</u>	<u>7,503,841</u>		<u>549,235</u>
Net assets - end of year	<u>\$ 7,924,008</u>	<u>\$ 7,787,473</u>		<u>\$ 461,079</u>
Some amounts reported for business-type activities in the statement of activities are different because the net revenue (expense) of certain internal service funds is reported with business-type activities			<u>(27,545)</u>	
Change in net assets of business-type activities			<u>\$ (27,882)</u>	

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2007

	<u>Business-type Activities - Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Equipment</u>
Cash flows from operating activities				
Receipts from customers	\$ 859,137	\$ 1,405,501	\$ 2,264,638	\$ 10,314
Receipts from interfund users	-	-	-	172,907
Receipts (payments) from other funds	2,234	(4,344)	(2,110)	306
Payments to other funds	(2,157)	-	(2,157)	-
Payments to suppliers	(278,322)	(602,505)	(880,827)	(192,846)
Payments to employees	(546,300)	(271,960)	(818,260)	(37,207)
Payments for interfund services used	<u>(27,665)</u>	<u>(15,562)</u>	<u>(43,227)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>6,927</u>	<u>511,130</u>	<u>518,057</u>	<u>(46,526)</u>
Cash flows from capital and related financing activities				
Proceeds from special assessments	976	-	976	-
Capital contributions	3,243	12,329	15,572	-
Purchases/construction of capital assets	(121,490)	(89,261)	(210,751)	-
Proceeds from sale of capital assets	<u>-</u>	<u>12,792</u>	<u>12,792</u>	<u>4,029</u>
Net cash provided (used) by capital and related financing activities	<u>(117,271)</u>	<u>(64,140)</u>	<u>(181,411)</u>	<u>4,029</u>
Cash flows from investing activities				
Proceeds from sales and maturities of investments	(2,329,218)	(766,722)	(3,095,940)	28,604
Interest received	<u>108,569</u>	<u>39,015</u>	<u>147,584</u>	<u>18,339</u>
Net cash provided (used) by investing activities	<u>(2,220,649)</u>	<u>(727,707)</u>	<u>(2,948,356)</u>	<u>46,943</u>
Net increase (decrease) in cash and cash equivalents	(2,330,993)	(280,717)	(2,611,710)	4,446
Cash and cash equivalents - beginning of year	<u>2,435,592</u>	<u>788,973</u>	<u>3,224,565</u>	<u>129,338</u>
Cash and cash equivalents - end of year	<u><u>\$ 104,599</u></u>	<u><u>\$ 508,256</u></u>	<u><u>\$ 612,855</u></u>	<u><u>\$ 133,784</u></u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Proprietary Funds
Statement of Cash Flows
For the Year Ended December 31, 2007

	<u>Business-type Activities - Enterprise Funds</u>			<u>Internal Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	<u>Equipment</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ (395,781)	\$ 232,288	\$ (163,493)	\$ (110,174)
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation expense	388,864	299,856	688,720	64,576
Changes in assets and liabilities				
Receivables (net)	17,066	2,299	19,365	(433)
Due from other funds	2,234	(4,344)	(2,110)	306
Inventories	-	(12,487)	(12,487)	(634)
Prepaid items	(6,169)	706	(5,463)	760
Accounts payable	18,870	3,112	21,982	(1,318)
Accrued and other liabilities	(16,000)	(10,300)	(26,300)	391
Due to other funds	(2,157)	-	(2,157)	-
Net cash provided (used) by operating activities	<u>\$ 6,927</u>	<u>\$ 511,130</u>	<u>\$ 518,057</u>	<u>\$ (46,526)</u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Fiduciary Funds
Statement of Net Assets
December 31, 2007

	Deferred Compensation Fund	Agency Funds
Assets		
Cash and cash equivalents	\$ -	\$ 1,422,228
Investments	458,712	-
Receivables		
Taxes	-	2,163,125
	<u>458,712</u>	<u>2,163,125</u>
Total assets	<u>458,712</u>	<u>\$ 3,585,353</u>
Liabilities		
Accrued and other liabilities	-	\$ 57,554
Due to other units of government	-	3,527,799
	<u>-</u>	<u>3,585,353</u>
Total liabilities	<u>-</u>	<u>\$ 3,585,353</u>
Net assets		
Held in trust for pension benefits and other purposes	<u>\$ 458,712</u>	

See Accompanying Notes to Financial Statements

Bridgeport Charter Township
Fiduciary Funds
Statement of Changes in Net Assets
For the Year Ended December 31, 2007

	<u>Deferred Compensation Fund</u>
Additions	
Contributions	
Plan members	\$ 11,564
Investment earnings	
Interest	<u>31,302</u>
Total additions	<u>42,866</u>
Deductions	
Benefits	3,470
Administrative expenses	<u>2,630</u>
Total deductions	<u>6,100</u>
Change in net assets	36,766
Net assets - beginning of year	<u>421,946</u>
Net assets - end of year	<u><u>\$ 458,712</u></u>

See Accompanying Notes to Financial Statements

Bridgeport Charter Township

Notes to Financial Statements

December 31, 2007

Note 1 - Summary of Significant Accounting Policies

Reporting entity

Bridgeport Charter Township is governed by an elected seven-member Board. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Discretely Presented Component Units – The component unit column in the entity wide financial statements include the financial data of the Township's Downtown Development Authority. This unit is reported in a separate column to emphasize that it is legally separate from the Township. The members of the Governing Board of the Downtown Development Authority are appointed by the Township Board. The budgets and expenditures of the Downtown Development Authority must be approved by the Township Board. The Township also has the ability to significantly influence operations of the Downtown Development Authority. The Downtown Development Authority does not issue any other form of financial statements except as contained in the Bridgeport Charter Township annual financial statements.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2007

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Refuse Collection Fund accounts for the revenue and expenditures with the government's refuse collection operation.

The government reports the following major proprietary funds:

The Sewer Fund accounts for the activities of the sewage collection system.

The Water Fund accounts for the activities of the water distribution system.

Additionally, the government reports the following:

The nonmajor special revenue funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The Debt Service Fund accounts for the accumulation of

resources for, and payment of governmental activities principal, interest and related costs.

Junction Sewer Capital Projects Fund accounts for the construction of township project.

Internal Service Funds accounts for major machinery and equipment purchases and maintenance provided to other departments of the government on a cost reimbursement basis.

The Deferred Compensation Trust Fund accounts for amounts withheld from employees' pay in accordance with the Internal Revenue Code section 457.

Trust and Agency Fund and Current Tax Collection Fund accounts for property tax and other deposits collected on behalf of other units and individuals.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Bridgeport Charter Township

Notes to Financial Statements

December 31, 2007

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water funds and the internal service funds are charges to customers for sales and services. The government also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for sewer and water funds and the internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, liabilities, and net assets or equity

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities

and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

The 2007 taxable valuation of the government totaled \$226,256,384, on which ad valorem taxes consisted of 4.7332 mills for operating purposes. This resulted in \$962,346 for general operating expenses and \$108,571 for the Bridgeport Charter Township Downtown Development Authority, exclusive of any Michigan Tax Tribunal or Board of Review adjustments. In addition, the taxable valuation of the IFT totaled \$5,616,518, on which taxes consisted of 2.3666 mills. This provided \$2,180 for general operating expenses \$11,112 for the Bridgeport Charter Township Downtown Development Authority.

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

Bridgeport Charter Township

Notes to Financial Statements

December 31, 2007

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations the government values these capital assets at the estimated fair value of the item at the date of its donation.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building improvements	15 to 30 years
Water and sewer lines	50 to 75 years
Machinery and equipment	3 to 7 years
Vehicles	3 to 5 years

Compensated absences – It is the Township's policy to permit employees to accumulate earned but unused vacation and personal time benefits. All personal time must be used prior to the use of any accrued vacation leave. Any unused personal time is paid out at the end of the 12 month period during which they could have been used. Upon resignation, any unused personal time is compensated at 50% of the personal leave hours remaining at the time of termination. Vacation pay and personal time benefits are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over

the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purposes. Designations of fund balance represent tentative management plans that are subject to change.

Comparative data

Comparative data is not included in the government's financial statements.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary information

The Township is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 621 of 1978, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Bridgeport Charter Township

Notes to Financial Statements

December 31, 2007

Prior to September 1, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. Public hearings are obtained to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to November 1.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the governing body is the activity level. The Township Clerk is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity must be approved by the Township Board.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

Excess of expenditures over appropriations

The Township incurred expenditures in excess of budget in the following funds. Excess expenditures in these funds occurred in the following areas:

	<u>Budget</u>	<u>Actual</u>	<u>Excess</u>
General government			
Township board	\$ 13,319	\$ 31,583	\$ 18,264
Treasurer	16,256	16,680	424
Buildings and grounds	167,023	171,123	4,100
Attorney	29,454	31,956	2,502
Public works	390,894	430,253	39,359
Other functions	8,188	54,112	45,924

Deficit Fund Balance

The Township has accumulated a fund balance deficit in the Cemetery Fund, Building Inspection Fund, and Construction Fund due

to an excess of expenditures over revenues for the current year. The Township expects to have this deficit eliminated through increased revenues and decreased expenses for the fiscal year ending 2008.

Note 3 - Deposits and Investments

The breakdown between deposits and investments for the Township is as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Unit</u>
Certificates of deposit and money markets	\$ 3,187,057	\$ 458,712	\$ 680,914
Investments in securities, mutual funds and similar vehicles	56,641	-	-
Total Investments	<u>\$ 3,243,698</u>	<u>\$ 458,712</u>	<u>\$ 680,914</u>

As of year end, the government had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Maturities</u>	<u>Rating</u>	<u>Rating Organization</u>
ML Institutional Fund	\$ 56,641	Daily	AAA	Standard's & Poor's

Interest rate risk – The Township's investment policy does not address exposure to fair value losses from changes in interest rates.

Credit risk – State statutes and the Township's investment policy authorize the Township to make deposits in the accounts of federally insured banks, credit unions, and savings and loan associations that have an office in Michigan; the local unit is allowed to invest in bonds,

Bridgeport Charter Township

Notes to Financial Statements

December 31, 2007

securities and other obligations of the United States, or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers acceptance of United States Banks; commercial paper rated within the three highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or any of its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

Concentration of credit risk – The Township minimizes credit risk by investing only in the safer types of securities, pre-qualifying financial institutions, brokers/dealers, intermediaries, and advisors with whom the Township will do business; and diversifying the investment portfolio so that the impact on the investment portfolio resulting from losses on individual securities will be minimized. Not more than 50% of any fund may be invested in commercial paper at any time.

Custodial credit risk – deposits – In the case of deposits, this is the risk that in the event of a bank failure, the Township's deposits may not be returned to them. The Township's deposit policy limits use to twelve (12) banks. As of December 31, 2007, \$2,679,599 of the Township's bank balance of \$2,939,107 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 4 - Receivables and Deferred Revenue

The only receivables not expected to be collected within one year are as follows:

	Due After One Year	Fund
Primary government		
Special assessments	<u>\$ 3,540</u>	Sewer

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>
Primary government	
Property taxes	<u>\$ 226,013</u>
Component unit	
Property taxes	<u>\$ 66,634</u>

Note 5 - Capital Assets

Capital assets activity of the primary government for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 502,890	\$ -	\$ 12,974	\$ 489,916
Capital assets being depreciated				
Land improvements	613,012	2,666	-	615,678
Drains	-	65,171	-	65,171
Buildings, additions and improvements	1,760,660	-	9,913	1,750,747
Machinery and equipment	1,699,651	95,873	129,669	1,665,855
Vehicles	1,132,346	48,517	111,939	1,068,924
Total capital assets being depreciated	5,205,669	212,227	251,521	5,166,375
Less accumulated depreciation for				
Land improvements	425,133	20,115	-	445,248
Buildings, additions and improvements	1,155,845	47,866	8,695	1,195,016
Machinery and equipment	1,191,148	135,933	86,419	1,240,662
Vehicles	506,922	80,113	111,939	475,096
Total accumulated depreciation	3,279,048	284,027	207,053	3,356,022
Net capital assets being depreciated	1,926,621	(71,800)	44,468	1,810,353
Governmental activities capital assets, net	\$ 2,429,511	\$ (71,800)	\$ 57,442	\$ 2,300,269

Bridgeport Charter Township

Notes to Financial Statements

December 31, 2007

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 29,110	\$ -	\$ -	\$ 29,110
Construction in progress	12,792	372,253	12,792	372,253
Total capital assets not being depreciated	41,902	372,253	12,792	401,363
Capital assets being depreciated				
Machinery and equipment	3,990,710	90,547	537	4,080,720
Water system	10,277,112	-	-	10,277,112
Sewer system	8,500,451	45,700	-	8,546,151
Total capital assets being depreciated	22,768,273	136,247	537	22,903,983
Less accumulated depreciation for				
Machinery and equipment	3,180,332	186,556	-	3,366,888
Water system	4,279,852	274,464	537	4,553,779
Sewer system	3,612,932	227,695	-	3,840,627
Total accumulated depreciation	11,073,116	688,715	537	11,761,294
Net capital assets being depreciated	11,695,157	(552,468)	-	11,142,689
Business-type capital assets, net	\$ 11,737,059	\$ (180,215)	\$ 12,792	\$ 11,544,052

Capital assets activity of the component unit for the current year was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Component Unit				
Capital assets not being depreciated				
Land	\$ 181,465	\$ 311,331	\$ -	\$ 492,796
Capital assets being depreciated				
Machinery and equipment	4,857	-	-	4,857
Less accumulated depreciation for				
Machinery and equipment	486	971	-	1,457
Net capital assets being depreciated	4,371	(971)	-	3,400
Component unit capital assets, net	\$ 185,836	\$ 310,360	\$ -	\$ 496,196

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities	
General government	\$ 37,815
Public safety	149,044
Public works	9,710
Community and economic development	4,298
Recreation and culture	18,584
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	64,576
Total governmental activities	284,027
Business-type activities	
Sewer	388,864
Water	299,856
Total business-type activities	688,720
Total primary government	\$ 972,747

Note 6 - Interfund Receivables, Payable and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Sewer	General	\$ 948
Water	General	12,055
Water	Sewer	1,594
		<u>\$ 14,597</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2007

The details for interfund transfers are as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General	Other governmental funds	<u>\$ 169,393</u>

Transfers are used to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Note 7 - Leases

Operating Leases

The government leases a mailing machine and copier under noncancelable operating leases. Total costs for such leases were \$6,312 for the year ending December 31, 2007. The future minimum lease payments for these leases are as follows:

Year ending December 31,

2008	\$ 5,497
2009	<u>2,541</u>
	<u>\$ 8,038</u>

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2007

Note 8 - Long-Term Debt

The government issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the government. Installment purchase agreements are also general obligations of the government. Other long-term obligations include compensated absences. Compensated absences are typically liquidated with funds from the General, Sewer and Water Funds.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
1988 Drain Bonds	\$ 825,000	2018	4.75% - 6.80%	\$39,543 - \$42,182	\$ 503,545	\$ -	\$ 42,182	\$ 461,363	\$ 42,182
Installment purchase agreements									
Fire equipment loan	\$ 135,775	2010	3.98%	\$27,657 - \$17,077	97,843	-	24,331	73,512	27,657
Total bonds payable					601,388	-	66,513	534,875	69,839
Compensated absences					54,700	-	7,700	47,000	-
Total governmental activities					\$ 656,088	\$ -	\$ 74,213	\$ 581,875	\$ 69,839
Business-type activities									
Compensated absences					\$ 26,300	\$ 5,000	\$ 1,500	\$ 29,800	\$ -
Component units									
General obligation bonds									
Downtown development bonds series 2002	\$ 1,365,000	2022	3.00% - 4.80%	\$45,000 - \$110,000	\$ 1,180,000	\$ -	\$ 50,000	\$ 1,130,000	\$ 50,000
Compensated absences					1,700	200	-	1,900	-
Total component units					\$ 1,181,700	\$ 200	\$ 50,000	\$ 1,131,900	\$ 50,000

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2007

Annual debt service requirements to maturity for the above obligations are as follows:

Year Ending December 31,	Governmental Activities	
	Principal	Interest
2008	\$ 69,839	\$ 24,343
2009	70,960	21,187
2010	59,259	18,079
2011	42,182	15,818
2012	42,182	13,709
2013 - 2017	210,910	36,910
2018	39,543	1,055
	<u>\$ 534,875</u>	<u>\$ 131,101</u>

Year Ending December 31,	Component Unit	
	Principal	Interest
2008	\$ 50,000	\$ 47,805
2009	55,000	45,899
2010	55,000	43,837
2011	60,000	41,606
2012	60,000	39,205
2013-2017	365,000	153,873
2018-2022	485,000	60,501
	<u>\$ 1,130,000</u>	<u>\$ 432,726</u>

Note 9 - Risk Management

The government is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The government has purchased commercial insurance for all claims. Settled claims relating to the commercial insurance have not

exceeded the amount of insurance coverage in any of the past three fiscal years.

Note 10 - Employee Retirement and Benefit Systems

Defined benefit pension plan

Plan description – The government participates in the Michigan Municipal Employees' Retirement System (MERS), an agent multiple-employer defined benefit pension plan that covers all employees of the government. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 447 N. Canal Rd., Lansing, Michigan 48917.

Funding policy – The obligation to contribute to and maintain the system for these employees was established by negotiation with the government's competitive bargaining units and requires a contribution from the employees of 6 percent of gross wages for General, and Police and Fire employees.

Annual pension costs – For year ended 2007, the government's annual pension cost of \$192,974 for the plan was equal to the required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2006, using the entry actual age cost method. Significant actuarial assumptions used include: 1) a 8% investment rate of return; 2) projected salary increases of 4.5% percent per year; and 3) 4.5% percent per year cost of living adjustments. Both determined using techniques that smooth the effects of short-term volatility over a four-year period. The unfunded actuarial liability is being amortized as a level percent of payroll on a closed basis. The remaining amortization period is 30 years.

Bridgeport Charter Township

Notes to Financial Statements

December 31, 2007

Three year trend information as of December 31 follows:

	2006	2005	2004
Annual pension cost	\$ 202,992	\$ 188,620	\$ 182,478
Percentage of APC contributed	100%	100%	100%
Actuarial value of assets	4,458,568	4,205,888	4,033,986
Actuarial accrued liabilities	6,022,178	5,572,592	5,160,030
Unfunded AAL	1,563,610	1,366,704	1,126,044
Funded ratio	74%	75%	78%
Covered payroll	1,595,321	1,570,722	1,480,177
UAAL as a percentage of covered payroll	98%	87%	76%

Note 11 - Deferred Compensation Plan

The Township Board offers all government employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The assets of the plans are held in trust by the Government. The plan balances and activities are reflected in the government's financial statements.

Note 12 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

Note 13 - Post-Employment Benefits

The Township currently provides post-employment health insurance

benefits to qualified retired employees. The cost of these benefits is paid by the Township and is funded on a pay-as-you-go basis. The Township's cost of providing the health insurance benefits to retirees for was approximately \$43,223. There were thirteen participants at December 31, 2007.

Note 14 - Upcoming Accounting and Reporting Changes

The Government Accounting Standards Board has issued Statement No. 45, *Accounting and Reporting by Employers for Postemployment Benefits other than Pensions*. The new pronouncement provides guidance for local units of government in recognizing the cost of retiree health care. The new rules will cause the government-wide financial statements to recognize the cost of providing retiree healthcare coverage over the working life of the employee, rather than at the time the health care premiums are paid. The new pronouncement is effective for the year ending December 31, 2009.

The Government Accounting Standards Board has issued Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*. This Statement establishes criteria that governments will use to ascertain whether the proceeds received should be reported as revenue or as a liability. The criteria should be used to determine the extent to which a transferor government either retains or relinquishes control over the receivables or future revenues through its continuing involvement with those receivables or future revenues. This Statement establishes that a transaction will be reported as a collateralized borrowing unless the criteria indicating that a sale has taken place are met. If it is determined that a transaction involving *receivables* should be reported as a sale, the difference between the carrying value of the receivables and the proceeds should be recognized in the period of the sale in the change statements. If it is determined that a transaction involving future revenues should be reported as a sale, the revenue should be deferred and amortized, except when specific

Bridgeport Charter Township
Notes to Financial Statements
December 31, 2007

criteria are met. This Statement also provides additional guidance for sales of receivables and future revenues within the same financial reporting entity. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2006.

The Government Accounting Standards Board has issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. This statement addresses how to account for pollution remediation activities of the effects of *existing* pollution. It does not include *prevention* or *control* activities nor future remediation required upon retirement of an asset. In general, a liability will be recorded based on the *current value* of expected costs as estimated using the *expected cash flows method*. This statement is effective for financial statements with periods ending after December 15, 2007. However, measurement is required as of the beginning of the period.

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Amended		
Revenues				
Taxes				
Property taxes	\$ 1,139,189	\$ 1,085,662	\$ 940,164	\$ (145,498)
Other taxes	3,080	786	787	1
Administration fee	104,660	95,838	86,958	(8,880)
Licenses and permits	106,365	77,426	198	(77,228)
State revenue sharing	1,003,630	976,555	987,645	11,090
State grants	7,500	14,052	14,052	-
Local contributions	1,500	-	6,000	6,000
Charges for services	138,689	197,766	211,521	13,755
Fines and forfeitures	-	-	22,188	22,188
Interest income	79,840	57,248	75,300	18,052
Rental income	50,000	55,204	55,621	417
Other revenue	161,243	22,283	7,575	(14,708)
Sale of fixed assets	10,000	150	-	(150)
Insurance recoveries	2,000	1,302	-	(1,302)
	<u>2,807,696</u>	<u>2,584,272</u>	<u>2,408,009</u>	<u>(176,263)</u>
Total revenues				
Expenditures				
General government				
Township board	14,880	13,319	31,583	18,264
Supervisor	14,581	11,275	10,789	(486)
Manager	150,647	148,300	134,806	(13,494)
Accounting	58,136	72,634	67,159	(5,475)
Clerk	19,007	24,560	18,106	(6,454)
Audit	-	6,930	6,930	-
Board of review	-	1,400	785	(615)
Treasurer	11,638	16,256	16,680	424
Assessor	53,500	51,401	51,227	(174)
Elections	21,830	23,090	20,456	(2,634)
Buildings and grounds	133,768	167,023	171,123	4,100
Attorney	-	29,454	31,956	2,502
	<u>477,987</u>	<u>565,642</u>	<u>561,600</u>	<u>(4,042)</u>
Total general government				

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Amended		
Public safety				
Police	\$ 752,086	\$ 743,037	\$ 703,939	\$ (39,098)
Fire department	491,906	516,768	508,242	(8,526)
Total public safety	<u>1,243,992</u>	<u>1,259,805</u>	<u>1,212,181</u>	<u>(47,624)</u>
Public works				
Department of public works	160,719	163,946	165,786	1,840
Sidewalks	500	500	54	(446)
Drains	65,297	6,505	6,505	-
Highways, streets and bridges	101,000	120,891	158,366	37,475
Street lighting	-	106,057	106,101	44
Total public works	<u>327,516</u>	<u>397,899</u>	<u>436,812</u>	<u>38,913</u>
Community and economic development				
Planning	-	16,325	15,521	(804)
Zoning	-	2,132	649	(1,483)
Total community and economic development	<u>-</u>	<u>18,457</u>	<u>16,170</u>	<u>(2,287)</u>
Recreation and culture				
Parks and recreation	122,857	147,019	101,429	(45,590)
Library	-	4,892	4,892	-
Total recreation and culture	<u>122,857</u>	<u>151,911</u>	<u>106,321</u>	<u>(45,590)</u>
Other functions				
Unallocated employee fringe benefits	-	-	45,924	45,924
Tax tribunal refunds	-	8,188	8,188	-
Total other functions	<u>-</u>	<u>8,188</u>	<u>54,112</u>	<u>45,924</u>
Debt service				
Principal retirement	15,000	26,542	26,542	-
Interest and fiscal charges	5,000	3,953	3,950	(3)
Total debt service	<u>20,000</u>	<u>30,495</u>	<u>30,492</u>	<u>(3)</u>
Transfers out	-	210,081	169,393	(40,688)
Total expenditures	<u>2,192,352</u>	<u>2,642,478</u>	<u>2,587,081</u>	<u>(55,397)</u>
Excess (deficiency) of revenues over expenditures	615,344	(58,206)	(179,072)	(120,866)
Fund balance - beginning of year	<u>1,624,854</u>	<u>1,624,854</u>	<u>1,624,854</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,240,198</u>	<u>\$ 1,566,648</u>	<u>\$ 1,445,782</u>	<u>\$ (120,866)</u>

Bridgeport Charter Township
Required Supplemental Information
Budgetary Comparison Schedule
Refuse Collection Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Actual Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for services	\$ 481,593	\$ 481,593	\$ 478,347	\$ (3,246)
Interest income	15,480	15,480	24,271	8,791
Other revenue	3,144	3,144	116	(3,028)
	<u>500,217</u>	<u>500,217</u>	<u>502,734</u>	<u>2,517</u>
Expenditures				
Current				
Public works	<u>500,217</u>	<u>500,217</u>	<u>466,987</u>	<u>(33,230)</u>
Excess of revenues over expenditures	-	-	35,747	35,747
Fund balance - beginning of year	<u>479,152</u>	<u>479,152</u>	<u>479,152</u>	<u>-</u>
Fund balance - end of year	<u>\$ 479,152</u>	<u>\$ 479,152</u>	<u>\$ 514,899</u>	<u>\$ 35,747</u>

Bridgeport Charter Township
Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Cemetery	Building Inspection	Drug Enforcement	Williamson Debt Service	Junction Sewer Capital Projects	Construction	
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ 3,375	\$ 158,861	\$ 149,404	\$ -	\$ 311,640
Receivables							
Taxes	-	-	-	34,740	-	-	34,740
Prepaid items	1,510	5,113	-	-	-	-	6,623
Total assets	<u>\$ 1,510</u>	<u>\$ 5,113</u>	<u>\$ 3,375</u>	<u>\$ 193,601</u>	<u>\$ 149,404</u>	<u>\$ -</u>	<u>\$ 353,003</u>
Liabilities							
Checks written against future deposits	\$ 3,649	\$ 3,483	\$ -	\$ -	\$ -	\$ 2,975	\$ 10,107
Accounts payable	841	3,265	50	-	-	-	4,156
Accrued and other liabilities	146	1,828	-	-	-	-	1,974
Deferred revenue	-	-	-	8,874	-	-	8,874
Total liabilities	<u>4,636</u>	<u>8,576</u>	<u>50</u>	<u>8,874</u>	<u>-</u>	<u>2,975</u>	<u>25,111</u>
Fund balances							
Reserved for:							
Debt service	-	-	-	184,727	-	-	184,727
Prepaid items	-	-	-	-	-	-	-
Unreserved							
Undesignated (deficit)	(3,126)	(3,463)	3,325	-	149,404	(2,975)	143,165
Total fund balances (deficit)	<u>(3,126)</u>	<u>(3,463)</u>	<u>3,325</u>	<u>184,727</u>	<u>149,404</u>	<u>(2,975)</u>	<u>327,892</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,510</u>	<u>\$ 5,113</u>	<u>\$ 3,375</u>	<u>\$ 193,601</u>	<u>\$ 149,404</u>	<u>\$ -</u>	<u>\$ 353,003</u>

Bridgeport Charter Township
Other Supplemental Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2007

	Special Revenue Funds			Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds
	Cemetery	Building Inspection	Drug Enforcement	Williamson Debt Service	Junction Sewer Capital Projects	Construction	
Revenues							
Licenses and permits	\$ -	\$ 67,603	\$ -	\$ -	\$ -	\$ -	\$ 67,603
Local contributions	-	-	-	-	-	100,093	100,093
Charges for services	12,300	-	-	-	-	-	12,300
Fines and forfeitures	-	3,707	3,611	-	-	-	7,318
Interest income	-	-	95	9,117	7,173	-	16,385
Other revenue	2,216	3,380	46	47,429	-	12,001	65,072
Total revenues	14,516	74,690	3,752	56,546	7,173	112,094	268,771
Expenditures							
Current							
General government	78,828	-	-	-	-	-	78,828
Public safety	-	209,156	2,028	-	-	-	211,184
Capital outlay	-	-	-	-	-	119,462	119,462
Debt service							
Principal retirement	-	-	-	42,182	-	-	42,182
Interest and fiscal charges	-	-	-	24,265	-	-	24,265
Total expenditures	78,828	209,156	2,028	66,447	-	119,462	475,921
Excess (deficiency) of revenues over expenditures	(64,312)	(134,466)	1,724	(9,901)	7,173	(7,368)	(207,150)
Other financing sources							
Transfers in	50,000	115,000	-	-	-	4,393	169,393
Net change in fund balance	(14,312)	(19,466)	1,724	(9,901)	7,173	(2,975)	(37,757)
Fund balance - beginning of year	11,186	16,003	1,601	194,628	142,231	-	365,649
Fund balance (deficit) - end of year	\$ (3,126)	\$ (3,463)	\$ 3,325	\$ 184,727	\$ 149,404	\$ (2,975)	\$ 327,892

Bridgeport Charter Township
Other Supplemental Information
Component Unit - Downtown Development Authority
Budgetary Comparison Schedule
For the Year Ended December 31, 2007

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Taxes	\$ -	\$ -	\$ 380,521	\$ 380,521
Charges for services	-	-	18,675	18,675
Interest income	32,375	32,375	58,577	26,202
Other revenue	-	-	27,559	27,559
Sale of fixed assets	30,000	30,000	30,000	-
	<u>62,375</u>	<u>62,375</u>	<u>515,332</u>	<u>452,957</u>
Total revenues				
Expenditures				
Current				
Community and economic development	173,278	173,278	265,231	91,953
Capital outlay	385,000	385,000	519,908	134,908
Debt service				
Principal retirement	45,000	45,000	50,000	5,000
Interest and fiscal charges	54,140	54,140	49,705	(4,435)
	<u>657,418</u>	<u>657,418</u>	<u>884,844</u>	<u>227,426</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	(595,043)	(595,043)	(369,512)	225,531
Fund balance - beginning of year	<u>1,272,842</u>	<u>1,272,842</u>	<u>1,272,842</u>	<u>-</u>
Fund balance - end of year	<u>\$ 677,799</u>	<u>\$ 677,799</u>	<u>\$ 903,330</u>	<u>\$ 225,531</u>

Bridgeport Charter Township
Component Unit - Downtown Development Authority
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2007

Net change in fund balances - Total governmental funds \$ (369,512)

Total change in net assets reported for governmental activities in the statement of activities
is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those
assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense	(971)
Capital outlay	311,331

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue
in the funds.

Property taxes	3,532
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Expenses are recorded when incurred in the statement of activities

Accrued interest	300
Compensated absences	(200)

Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in
fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not
affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds
but reduces the liability in the statement of net assets.

Repayments of long-term debt	<u>50,000</u>
------------------------------	---------------

Change in net assets of governmental activities \$ (5,520)

Bridgeport Charter Township
Other Supplemental Information
Schedule of Indebtedness
December 31, 2007

Description	Interest Rate	Date of Maturity	Amount of Annual Maturity	Interest		Total
				Payment 1	Payment 2	
Governmental Activities						
General Obligation Bonds						
1998 Drain Bonds						
Amount of issue - \$ 825,000						
	4.750%	2008	\$ 42,182	\$ 11,505	\$ 10,503	\$ 64,190
	5.000%	2009	42,182	10,503	9,470	62,155
	5.000%	2010	42,182	9,470	8,436	60,088
	5.000%	2011	42,182	8,436	7,382	58,000
	5.000%	2012	42,182	7,382	6,327	55,891
	5.000%	2013	42,182	6,327	5,273	53,782
	5.000%	2014	42,182	5,273	4,218	51,673
	5.000%	2015	42,182	4,218	3,164	49,564
	5.000%	2016	42,182	3,164	2,109	47,455
	5.000%	2017	42,182	2,109	1,055	45,346
	6.800%	2018	39,543	1,055	-	40,598
			<u>\$ 461,363</u>	<u>\$ 69,442</u>	<u>\$ 57,937</u>	<u>\$ 588,742</u>
Installment purchase agreements						
Fire equipment loan						
Amount of issue - \$ 135,775						
	3.98%	2008	\$ 27,657	\$ 1,305	\$ 1,030	\$ 29,992
	3.98%	2009	28,778	751	463	29,992
	3.98%	2010	17,077	173	-	17,250
			<u>\$ 73,512</u>	<u>\$ 2,229</u>	<u>\$ 1,493</u>	<u>\$ 77,234</u>

Bridgeport Charter Township
Other Supplemental Information
Schedule of Indebtedness
December 31, 2007

Description	Interest Rate	Date of Maturity	Amount of Annual Maturity	Interest		Total
				Payment 1	Payment 2	
Component Unit						
Downtown Development Bonds						
Series 2002						
Amount of issue - \$ 1,365,000						
	3.500%	2008	\$ 50,000	\$ 24,340	\$ 23,465	\$ 97,805
	3.750%	2009	55,000	23,465	22,434	100,899
	3.750%	2010	55,000	22,434	21,403	98,837
	4.000%	2011	60,000	21,403	20,203	101,606
	4.000%	2012	60,000	20,203	19,002	99,205
	4.000%	2013	65,000	19,002	17,702	101,704
	4.100%	2014	70,000	17,702	16,267	103,969
	4.200%	2015	75,000	16,267	14,693	105,960
	4.250%	2016	75,000	14,693	13,099	102,792
	4.375%	2017	80,000	13,099	11,349	104,448
	4.500%	2018	85,000	11,349	9,436	105,785
	4.600%	2019	90,000	9,436	7,366	106,802
	4.700%	2020	95,000	7,366	5,134	107,500
	4.750%	2021	105,000	5,134	2,640	112,774
	4.800%	2022	110,000	2,640	-	112,640
			<u>\$ 1,130,000</u>	<u>\$ 228,533</u>	<u>\$ 204,193</u>	<u>\$ 1,562,726</u>



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June 17, 2008

Management and the Board of Trustees
Bridgeport Charter Township

Dear Management and the Board of Trustees:

We have completed our audit of the financial statements of Bridgeport Charter Township as of and for the year ended December 31, 2007 and have issued our report dated June 17, 2008. We are required to communicate certain matters to you in accordance with auditing standards generally accepted in the United States of America that are related to internal control and the audit.

Responsibilities under generally accepted auditing standards

As stated in our engagement letter dated, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) established by the Auditing Standards Board of the American Institute of Certified Public Accountants. Our responsibility, as prescribed by US GAAS, is to express an opinion about whether the financial statements prepared by management, with your oversight, are fairly presented, in all material respects. Our audit does not relieve you of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit as outlined in our discussion with you related to planning matters on December 1, 2007.

Significant Audit Findings

- Management is responsible for the selection and use of appropriate accounting policies. We will advise management about their appropriateness and application. The significant accounting policies are described in (Note 1) of the financial statements. We noted no transactions entered into by the organization during the year where there is lack of authoritative guidance or consensus. There are no significant transactions that were recognized in a period other than which they occurred.
- Accounting estimates are based on management's knowledge and experience about past and current events and assumptions. Some estimates are sensitive because of their significance to the financial statements and the fact that future events affecting them may differ from those expected.
- Disclosures in the financial statements are neutral, consistent and clear. Certain disclosures are more sensitive than others due to their relevance to the users of the financial statements.

Corrected and Uncorrected Misstatements

Professional standards require that the auditor accumulate all known and likely misstatements identified during the audit, other than those the auditor believes to be trivial. The adjustments identified during the audit have been communicated to management and management has posted all but the following adjustments, as applicable. Management has determined that the effects of the uncorrected misstatements attached are immaterial both individually and in the aggregate, qualitatively and quantitatively, to the financial statements taken as a whole.

Financial Statements Effect—Amount of Over (Under) Statement of:			
Description	Total Liabilities	Expense	Change in Fund Balance/ Net Assets
General Fund			
Accrued payroll is not recorded	\$ -29,412	\$ -1,855	\$ -1,855
Prior year			-28,995
Total General Fund			-29,412
Building Inspection Fund			
Accrued payroll is not recorded	\$ -2,333	\$ -1,438	\$ -1,438
Prior year			-895
Total Building Inspection Fund			-2,333

Disagreements with Management

A disagreement with management is defined as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, which could be significant, individually or in the aggregate to the financial statements or the auditors' report. We had no disagreements with management during the audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other Accountants

From time to time, management may decide to consult with other accountants about audit and accounting matters. Should this occur, professional standards require the consulting accountant to communicate with us to determine that they have all the relevant facts. To our knowledge, there were no consultations with other accountants during the year.

Significant Issues Discussed or Subject to Correspondence with Management

From time to time auditors discuss significant issues with management such as business conditions affecting the entity, business plans and strategies that may affect the risk of material misstatement and the application of accounting principles and auditing standards. The issues discussed during the audit occurred during the normal course of our professional relationship and our responses were not a condition to our retention.

We discussed these matters with various personnel in the organization during the audit and have met with you on June 17, 2008.

These communications are intended solely for the information and use of management, the Board of Trustees, others within the organization, and are not intended to be and should not be used by anyone other than those specified parties.

Yeo & Yeo, P.C.

Saginaw, Michigan